



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
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COMMISSION TAKES ACTION WITH OTHER LAW ENFORCEMENT AGENCIES Three Glendale Individuals and their Businesses Charged with Securities Fraud

PHOENIX – The Arizona Corporation Commission issued a temporary cease and desist order, charging three Glendale individuals and their businesses with securities fraud and registration violations. The Commission's Securities Division alleges violations of securities regulations in connection with the offer and sale of investment contracts in real estate located in Arizona and Nevada. Additionally, the Commission's Securities Division alleges that the respondents did not own the land that was part of the investment and that they were engaged in a "Ponzi" scheme, using new investor funds to pay "profits" to the original investors.

Although the Division has an ongoing investigation that may uncover more investors, current information indicates at least \$500,000 has been raised in these programs and most of the known investors reside in Maricopa County. The Commission reminds investors that it is against the law for anyone to offer or sell these investments while the temporary cease and desist order is in effect.

Named as respondents in the action are: Bruce R. Goldman along with his wife, Linda L. Goldman (aka Linda Mull and Linda Sanger), and step-daughter, Natasha Mull (aka Natasha Goldman) and their businesses, Opulent Management Group, Bravura Management Group, Zanadu Construction, The Opulent Group, Opulent Properties, LLC, Mill Direct Flooring, LLC, and The Loan Xperts, LLC.

Simultaneously with the service of the temporary cease and desist order, a search and seizure warrant was executed on the Goldmans' residence and their business by the Maricopa County Attorney's Office with the assistance of the US Secret Service and the Securities Division.

Anyone who has invested with the Goldmans or their businesses is urged to contact the Commission's Securities Division at 602-542-4242 or toll free, 1-866-VERIFY-9 and to ask for an investigator assigned to the case. To access the full text of the Commission order, please click on:

<http://www.ccsd.cc.state.az.us/enforcement/Orders/2005/Nov14-05.pdf>.

The Commission thanks the Maricopa County Attorney's Office and the US Secret Service for their assistance in this case.

Frequently Asked Questions about Temporary Cease & Desist Orders

I found the Commission News release about these investments. What is a Temporary Cease & Desist Order and what does it mean?

As the regulator of the securities market in Arizona, when the Commission believes a person or company has violated the state laws regarding securities and investments, there are several actions the Commission can take. In this case, the Commission issued a temporary cease and desist order.

The temporary cease and desist order will remain in effect until the Commission rules on the allegations contained in the order. This means it is against the law for the individuals or companies named in the case (collectively known as "the respondents") to sell or offer these investments in Arizona or from another state to Arizona investors.

How can I find out more?

The Arizona Corporation Commission issued an initial temporary cease and desist order. You can view that order and the allegations contained in it by clicking on the document at <http://www.ccsd.cc.state.az.us/enforcement/enforce-actions.asp>.

In response to the Commission's allegations, the respondents have the right to hire an attorney or represent themselves at a hearing.

What does it mean to request a hearing?

By statute, respondents are allowed to request a hearing to challenge one or more of the allegations. When the Commission takes a public action like issuing a cease and desist order, the case is assigned to an Administrative Law Judge (ALJ). Just like a judge in a civil or criminal case, the ALJ presides over the case until it reaches a final conclusion. The ALJ will review pre-filed testimony, set schedules for various steps along the way and preside over the hearing, if one is held.

At the hearing, the ALJ will place witnesses under oath and listen to their testimony. The ALJ often asks

questions of the witnesses and will also allow witnesses to be cross-examined – in other words, the other parties may ask questions of the witness while he or she is still under oath.

After the hearing, the ALJ will prepare a detailed, written recommendation for review by the Commissioners – five statewide elected officials who vote on these cases. The Commissioners can accept, modify or deny the recommendations of the ALJ.

Do all cases result in a hearing?

No. Sometimes cases are resolved through a settlement reflected in a consent order or consent agreement. Sometimes respondents believe it is better to enter into an agreement with the regulators – frequently with penalties and other sanctions – than to fight the case and risk that the judge might impose a harsher penalty. Consent orders still must be approved by a majority of Commissioners.

If respondents do not appear to challenge any of the allegations, the Commission can issue a default order.

I have money invested with these respondents. What should I do?

As regulators, the Commission's Securities Division cannot offer any legal or investment advice. Our staff members cannot recommend that you take any specific actions. Our duty is to ensure that the securities market in the state of Arizona is functioning properly, that promoters and securities are properly registered and to make sure investors are given full, fair and proper disclosure about the nature of the investments they are making.

Any investment carries with it a corresponding risk of loss – some types of investments are riskier than others. You should evaluate your risk tolerance and the information about our enforcement actions carefully and consider discussing it with a trusted friend, colleague, lawyer or financial adviser. Then, make your decisions accordingly.

Should I contact the Arizona Corporation Commission's Securities Division?

You should contact the Commission's Securities Division if either of the following situations apply. Information you have could be helpful to our investigators and attorneys.

- Were the investments sold to you while you were in Arizona? If yes, please call 602-542-4242 (within Metro Phoenix) or 1-866-VERIFY-9 (outside Metro Phoenix and Arizona) and ask to speak someone assigned to the case.
- Were the investments sold to you by someone based in Arizona? If yes, please call 602-542-4242 (within Metro Phoenix) or 1-866-VERIFY-9 (outside Metro Phoenix and Arizona) and ask to speak someone assigned to the case.

If the answer to both of these questions is "NO," what should I do?

You may wish to speak with your state's securities regulator to see if they are gathering information about this case or the people through whom you invested. To find a list of state securities regulators, please visit the website of the North American Securities Administrators Association www.nasaa.org and click on "Find Regulator" or call (202) 737-0900.

If I lose money, is the Commission going to help me get it back?

The Commission's first obligation is to ensure that investment advisers, securities dealers, brokers or salespeople are following the state's securities regulations. Our cases often result in orders for restitution or, in the case of a salesperson, an order to refund any commissions he or she earned.

Sometimes we are quite successful in recapturing money for investors. Other times – particularly in the larger cases involving thousands of transactions, sophisticated or complex schemes, or offshore accounts – it becomes more difficult for the state to find where money is hidden. And, sometimes the money is already spent by the time a case comes to our attention.

If we are able to recover funds, it gets returned to investors on a pro-rata basis. In other words, if your investment represented three percent of the total money invested in a particular case, you may receive three percent of whatever money is recovered.

The fact that the Commission has taken action in a case does NOT prevent you or other investors from filing your own court case, such as a civil suit or class action suit. When you hire a lawyer working on your own behalf, you have someone looking out for your personal interests. The Commission takes action on behalf of the state of Arizona.